

So, Mr. Speaker, if Members are serious about doing a money-for-reform trade, I suggest they adopt this principle to start with: No IMF reform is real IMF reform until IMF adopts it before it receives any additional money from the United States.

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This, in my judgment, is plain common sense. We do not give away \$18 billion of our taxpayers' money on the strength of a promise or on an assurance. Any reform provisions that do not meet this principle should be rejected out of hand.

What should these reforms involve? If our aim is to reverse the destabilizing influence that the IMF has had on the world's economic and financial system, we should insist on these:

One, real transparency requirements that will allow us to open their books and see what in fact they do, what are their resources and what do they do with them.

Two, a ban on the IMF offering of low interest rates below the market. This is very important if we are going to stop this business called moral hazard. It is the oldest story in economics: If you subsidize bad decisions, you get more bad decisions.

Three, a 1-year limit on all IMF loans. When we do that, we again signal to the world, they do not have permanent bailouts for loans or activities that prudent people would not have undertaken in the first place.

I am not naive, Mr. Speaker. I can count votes and I know this is an uphill fight, but it is one we must make even in the waning days of this Congress. In the end, Mr. Speaker, it comes down to first principles. My party believes in freedom and responsibility. Guided by those values, we have resisted the status temptation and instead led America into this era of limited government and broad prosperity. How can we then acquiesce in a plan to vastly expand an international agency that covers other people's bad debts and undermines free market processes the world over?

No, Mr. Speaker, it is time to bring the reforms, the discipline, and the responsibility that make this Nation great to all the world's nations through all the transactions and institutions that this Nation supports and it tries to influence.

The SPEAKER pro tempore (Mr. HOBSON). Under a previous order of the House, the gentleman from Colorado (Mr. SKAGGS) is recognized for 5 minutes.

(Mr. SKAGGS. Mr. Speaker, addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SIMPLIFIED USA TAX ACT OF 1998

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, the American tax system is a Frankenstein's monster that terrorizes individual taxpayers while casting a cold shadow over the productive sectors of the U.S. economy. It is too complicated. It is riddled with obvious inequities. It punishes savings and investment. It reduces economic growth and burdens domestic industry struggling to remain competitive.

Next week I will introduce the Simplified USA Tax Act, because I want to reform the American tax system in a way that makes sense to average citizens and that, therefore, will pass the test of time. Not only do we need a Tax Code that is fair and sensible, we need one that is stable.

As bad as the current Tax Code is, and I am one of its severest critics, the last thing that we need is to enact some reform that is so radical and experimental that we may have to redo it all over again a few years later.

The Tax Code must give Americans a fair opportunity to save part of their earnings. After all, it is thrift that has helped provide Americans with the security and independence that is the foundation of freedom. It is savings that buys the tools to make Americans more productive. And it is productivity that raises our living standards to the highest in the world.

In my tax reform proposal, "USA" stands for unlimited savings allowance. Everyone is allowed an unlimited Roth IRA in which they can put the portion of each year's income they save after paying taxes and living expenses. After 5 years, all money in the account can be withdrawn for any purpose and all withdrawals are tax free. Nothing could be simpler and nothing could give people a better opportunity to save, especially young people.

Under the new Tax Code, tax rates must be low, especially for wage earners who now must pay both an income tax and a FICA payroll tax on the same amount of wages. The USA tax starts out with low tax rates, 15 percent at the bottom, 25 percent in the middle, 30 percent at the top. Then the rates are reduced even further by allowing wage earners their full tax credit for the Social Security and Medicare payroll tax that is withheld from their paychecks under current law.

I do not propose to repeal the payroll tax because to do so would imperil Social Security, but I do allow a credit for it. And when the credit is taken into account, the rates of tax on workers' wages are very low indeed, in the 7 percent to 17 percent range for nearly all Americans.

The USA tax provides tax relief for all Americans, especially who own their home, give to their church, educate their children and set aside some savings for a better tomorrow. Under my proposal, everyone gets a deduction for the mortgage interest on their home and for charitable contributions they make. In addition, and this is brand new and long overdue in our so-

ciety. USA allows a deduction for tuition paid for college and postsecondary vocational education. Generous personal and family exemptions are also allowed under my proposal.

The USA tax is simplicity itself. The tax return will be short, only a page or two for most of us. But, more to the point, the tax return will be understandable. For the first time in a long time, America's tax system will make sense to the citizens who file the tax returns and pay the taxes. For the first time since inception of the Federal income tax, Americans will have a full and fair opportunity to save whatever portion of their income they wish and for whatever purpose they wish.

For the first time in history, working people will be allowed a credit for the payroll taxes they pay. And for the first time ever, families will have a generous tax-free allowance for the education of their children.

My proposal also contains a new and better way of taxing corporations and other businesses that will allow them to compete and win in global markets in a way that exports American-made products, not American jobs. Experts who have studied this believe that, if enacted in America, this innovative approach to business taxation will soon become the worldwide standard to which other countries will aspire.

For too long, the Tax Code has been a needless drag on the economy. That is not very smart and it is certainly not fair to those Americans whose living standards are lower because of it. For years its complex inanities have been the object of ridicule. It has also been the ultimate source of bureaucratic excesses and abuse by the IRS that is inconsistent with our free society.

Mr. Speaker, it is high time that we restore people's faith in the integrity and competence of their tax system and, in the process, take a major step toward restoring people's confidence in the good character of their government.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. DIAZ-BALART) is recognized for 5 minutes.

(Mr. DIAZ-BALART addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CONTRACEPTION FOR WOMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.